



# Town of Lunenburg

## Preliminary Annual Budget –FY2010

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# Financial Forecast

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- November 13, 2008
- First step in the process
- Required by Town Charter, Section 4-2 (s)
- Provides a long-term & comprehensive financial perspective on service delivery using both known information & hypothesis
- Budget is a specific plan detailing service delivery



# Financial Forecast

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- Guides & Tools
  - MGL, Town Bylaws, other Generally Accepted Standards
  - Financial Policies
  - Trends Analysis
  - Debt Service Schedules
  - Union Contracts
  - Assumptions, General or Specific



# Trends Analysis

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- Review of last 5 years worth of data
- Forecasting relies heavily on trends analysis as overall trends are generally linked together
- Identified specific areas of concern:
  - Revenue: reliance on property tax; uncertainty with State Aid
  - Expenses: employee benefits costs; reduction in Fund Balance



# Financial Forecast

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- Assumptions:
  - Service Levels
  - Future of the local economy
  - Revenue Structure
  - Cost of Services



# Financial Forecast

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- Projected Deficits

■ FY2010	(\$1,711,710)
■ FY2011	(\$2,015,535)
■ FY2012	(\$2,292,022)
■ FY2013	(\$2,690,049)
■ FY2014	(\$3,215,764)



# Financial Forecast -Action Plan

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- Review
  - Past & current service levels
  - Long-term priorities
  - Possible consolidations
  - Possible service reductions
  - Fee Structure
- FY2010 Budget Instructions
  - Level Funded
  - Level minus 5%
  - Level minus 10%



# FY2010 Recommendation

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- Budget Requests were received
- Governor's Budget (House 1) issued
- Additional data on Local Receipts
- Health Insurance Renewal received
- Retirement Assessment received
- Monty Tech Assessment received



# FY2010 Recommendation

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- Disclaimers

- At this early stage in the process, the document is only “good” the day it is printed.
- Use a number of assumptions early on, which firm up as we get closer to Town Meeting
- Much uncertainty around ARRA



# FY2010 Recommendation

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- Balanced, but provides a reduction in service levels over the current year
- Effort was made to insure that core services- Education, Fire, Police, & Public Works- were held as close to level as possible
- Effort was made to restructure/ re-engineer to improve efficiency



# FY2010 Recommendation

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- Funding to cover all contractual salary increases
- Funding to cover all salary increases due SAP employees (No COLA)
- Balanced budget proposal is based upon use of recurring revenues for operating costs, meaning there is NO request for a draw on either Free Cash or the Stabilization Fund
- Non-recurring revenues are set aside for one-time, capital purchases

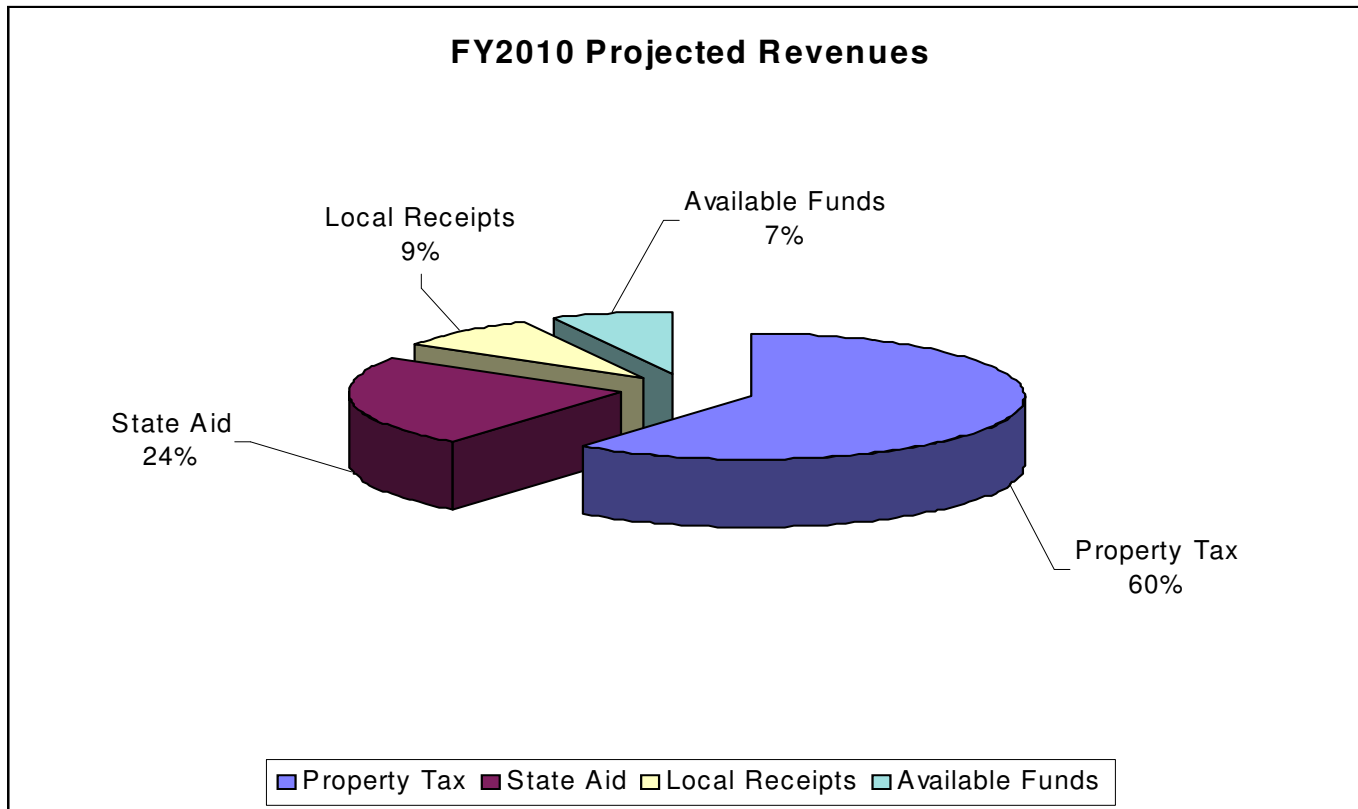


# FY2010- Revenue Estimates

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- Sources of Revenue
  - Property Tax
  - State Aid/ Cherry Sheet
  - Local Receipts
  - Available Funds

# FY2010- Revenue Estimates





# FY2010- Revenue Estimates

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- Property Tax

- Prior Year base plus 2 ½% increase
- Estimate for New Growth
- Overrides & Exclusions- capital, debt
  
- Estimate for New Growth = \$122K
- State Law requires you to assume 100% collection rate
- Estimate for FY2009 = \$17,396,589

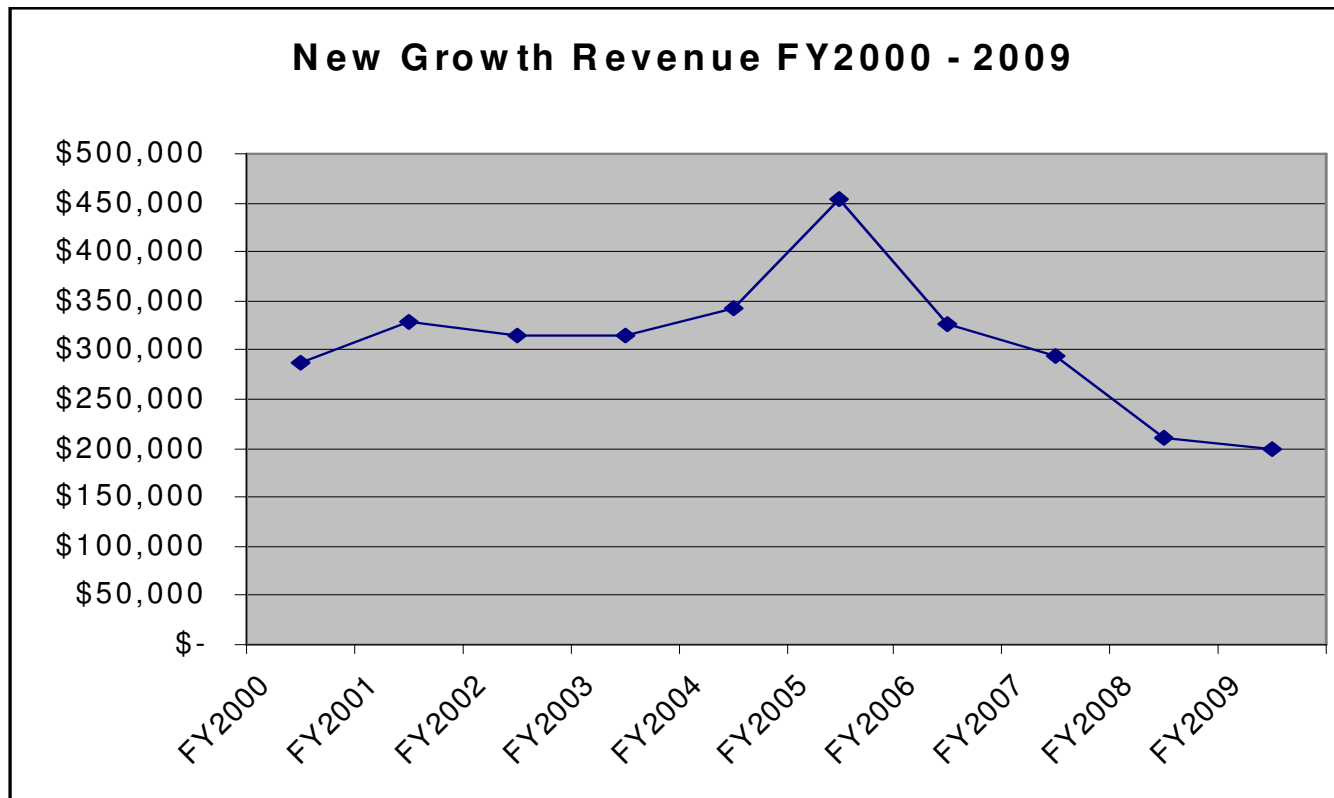


# FY2010- Revenue Estimates

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	FY2006 Actual	FY2007 Actual	FY2008 Expended	FY2009 Appropriated	FY2010 Budget CAFO	Difference	% Increase
Revenue							
Property Tax	\$ 15,291,369	\$ 15,601,378	\$ 16,177,531	\$ 16,915,750	\$ 17,396,589	\$ 480,839	2.84%
State Aid	\$ 5,370,530	\$ 5,913,294	\$ 6,296,172	\$ 6,586,064	\$ 6,282,323	\$ (303,741)	-4.61%
Local Receipts	\$ 2,723,428	\$ 2,555,743	\$ 2,403,600	\$ 2,418,600	\$ 2,117,600	\$ (301,000)	-12.45%
Available Funds	\$ 547,332	\$ 3,060,677	\$ 3,264,005	\$ 2,020,180	\$ 1,409,949	\$ (610,232)	-30.21%
total:	\$ 23,932,659	\$ 27,131,091	\$ 28,141,308	\$ 27,940,594	\$ 27,206,460	\$ (734,133)	-2.63%

# FY2010- Revenue Estimates





# FY2010- Revenue Estimates

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- State Aid/ Cherry Sheet
  - Education Aid
    - Chapter 70
    - Charter School Assessment Reimbursement
  - General Government Aid
    - Lottery
    - Reimbursements for Quinn Bill & Property Tax Exemptions
    - Library
    - State Owned Land (PILOT)



# FY2010- Revenue Estimates

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- State Aid

- Assume that State Aid will come in at the level included in the Governor's Budget-House 1
- Chapter 70 Level Funded
- Governor included funds from increased Meals & Rooms Tax (\$149K)
- Big hit to Lottery, down 28.5%, or \$375K
- Reduction in Quinn Bill of \$15K, 24%

# FY2010- Revenue Estimates

	FY2006	FY2007	FY2008	FY2009	FY2010		
	Actual	Actual	Expended	Appropriated	Budget CAFO	Difference	% Increase
<b>Revenue</b>							
<b>State Aid</b>							
Chapter 70	\$ 3,708,907	\$ 3,921,700	\$ 4,314,259	\$ 4,620,790	\$ 4,620,790	\$ -	0.00%
Kindergarten Grant	\$ -						
Charter Tuition Reimbursements	\$ 26,048	\$ 80,909	\$ 22,074	\$ 35,158	\$ -	\$ (35,158)	-100.00%
Charter School Capital Facility Reimb	\$ 30,511						
School Lunch	\$ 8,256	\$ 7,213	\$ 9,171	\$ 9,175	\$ 10,219	\$ 1,044	11.38%
School Choice Receiving Tuition	\$ 395,193	\$ 459,930	\$ 462,811	\$ 420,948	\$ 376,104	\$ (44,844)	-10.65%
Lottery	\$ 1,076,641	\$ 1,295,240	\$ 1,316,140	\$ 1,316,140	\$ 940,670	\$ (375,470)	-28.53%
Gaming Proceeds for Lottery Cap	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Revenue from Meals Tax Increase	\$ -	\$ -	\$ -	\$ -	\$ 125,247	\$ 125,247	
Revenue from Rooms Tax Increase	\$ -	\$ -	\$ -	\$ -	\$ 24,296	\$ 24,296	
Additional Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Police Career Incentive (Quinn Bill)	\$ 50,189	\$ 57,045	\$ 60,063	\$ 64,065	\$ 48,732	\$ (15,333)	-23.93%
Veteran's Benefits		\$ -	\$ -	\$ -	\$ 14,121	\$ 14,121	
Veterans Exemption	\$ 11,163	\$ 11,188	\$ 26,163	\$ 27,025	\$ 27,025	\$ -	0.00%
Elderly Exemption	\$ 20,080	\$ 26,104	\$ 24,598	\$ 28,614	\$ 31,835	\$ 3,221	11.26%
State Owned Land	\$ 29,980	\$ 39,890	\$ 44,567	\$ 47,823	\$ 47,752	\$ (71)	-0.15%
Libraries	\$ 13,562	\$ 14,075	\$ 16,326	\$ 16,326	\$ 15,532	\$ (794)	-4.86%
<b>total:</b>	<b>\$ 5,370,530</b>	<b>\$ 5,913,294</b>	<b>\$ 6,296,172</b>	<b>\$ 6,586,064</b>	<b>\$ 6,282,323</b>	<b>\$ (303,741)</b>	<b>-4.61%</b>



# FY2010- Revenue Estimates

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- Local Receipts

- Motor Vehicle Excise Tax, licenses, permits, fees, fines, investment income
- Elastic Revenues- very dependant upon the economy
- MVX is the largest component; first indication of what is happening is through Commitment #1, issued in February
  - Commitment was down \$103K, or 11.5%
  - Estimate for FY2010, 20% reduction



# FY2010- Revenue Estimates

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- Local Receipts
  - Ambulance Receipts
  - Building Permit Revenue
  - Investment Income
  - Overall Projection is a decrease of \$301,000 or 12.5%

# FY2010- Revenue Estimates

	FY2006	FY2007	FY2008	FY2009	FY2010		
Revenue	Actual	Actual	Expended	Appropriated	Budget CAFO	Difference	% Increase
<b>Local Receipts</b>							
Excise	\$ 1,166,165	\$1,332,648	\$ 1,330,000	\$ 1,330,000	\$ 1,064,000	\$ (266,000)	-20.00%
New Construction	\$ -	\$0	\$ -	\$ -		\$ -	
Interest & Demands	\$ 53,054	\$55,235	\$ 65,000	\$ 65,000	\$ 60,000	\$ (5,000)	-7.69%
Penalties	\$ 44,854	\$29,480	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	0.00%
PILOT	\$ 1,600	\$1,593	\$ 1,600	\$ 1,600	\$ 1,600	\$ -	0.00%
Fees	\$ 146,386	\$135,147	\$ 135,000	\$ 135,000	\$ 135,000	\$ -	0.00%
Building Rental (Old Primary)	\$ -	\$0	\$ -	\$ -		\$ -	
Departmental Revenue	\$ 308,561	\$353,235	\$ 361,000	\$ 376,000	\$ 376,000	\$ -	0.00%
Licenses & Permits	\$ 244,593	\$188,812	\$ 200,000	\$ 200,000	\$ 130,000	\$ (70,000)	-35.00%
Ambulance Increase					\$ 80,000	\$ 80,000	
Court Fines	\$ 44,177	\$62,666	\$ 65,000	\$ 65,000	\$ 65,000	\$ -	0.00%
Charges	\$ 27,773	\$25,524	\$ 26,000	\$ 26,000	\$ 26,000	\$ -	0.00%
Interest Income	\$ 117,620	\$312,632	\$ 200,000	\$ 200,000	\$ 160,000	\$ (40,000)	-20.00%
Miscellaneous, Recurring						\$ -	
Miscellaneous, Non-Recurring	\$ 568,646	\$58,771		\$ -		\$ -	
Bond Premium					\$ -		
<b>total:</b>	<b>\$ 2,723,428</b>	<b>\$ 2,555,743</b>	<b>\$ 2,403,600</b>	<b>\$ 2,418,600</b>	<b>\$ 2,117,600</b>	<b>\$ (301,000)</b>	<b>-12.52%</b>



# FY2010- Revenue Estimates

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- Available Funds
  - Catch All Category
  - Some one-time revenues, causing a wide variance from year to year
  - SBA Reimbursement - \$586,561
  - Sewer Betterments
    - Fully fund associated debt service & related costs
  - Sewer Enterprise Fund to fund Indirect Costs
  - Balance of Unexpended Articles



# FY2010- Revenue Estimates

	FY2006	FY2007	FY2008	FY2009	FY2010		
	Actual	Actual	Expended	Appropriated	Budget CAFO	Difference	% Increase
<b>Revenue</b>							
<b>Available Funds</b>							
Overlay Surplus	\$	25,025	\$ -	\$ 23,109	\$ -	\$ (23,109)	-100.00%
Free Cash	\$	1,108,378	\$ 648,875	\$ 316,838	\$ -	\$ (316,838)	-100.00%
Unexpended Articles	\$	35,542	\$ 22,358	\$ 38,034	\$ 27,602	\$ (10,432)	-27.43%
Borrowing	\$	491,000	\$ 835,000	\$ 249,960	\$ -	\$ (249,960)	-100.00%
Stabilization Fund	\$	32,079	\$ 250,000	\$ -	\$ -	\$ -	
SBA Reimbursement	\$	804,425	\$ 816,820	\$ 586,561	\$ 586,561	\$ -	0.00%
Sewer Enterprise	\$	20,000	\$ -	\$ 30,715	\$ 30,715	\$ -	0.00%
Sewer Betterments	\$ 547,332	\$ 512,688	\$ 680,000	\$ 732,848	\$ 722,956	\$ (9,892)	-1.35%
Medicare Part D Reimbursement	\$	-	\$ -	\$ 30,000	\$ 30,000	\$ -	0.00%
Septic Loan Revenue	\$	10,872	\$ 10,952	\$ 10,872	\$ 10,872	\$ -	0.00%
Bond Premium	\$	20,668	\$ -	\$ 1,243	\$ 1,243	\$ -	0.00%
<b>total:</b>	\$ 547,332	\$ 3,060,677	\$ 3,264,005	\$ 2,020,180	\$ 1,409,949	\$ (610,232)	-30.21%

# FY2010- Revenue Estimates Summary

Revenue	FY2006 Actual	FY2007 Actual	FY2008 Expended	FY2009 Appropriated	FY2010 Budget CAFO	Difference	% Increase
Property Tax	\$ 15,291,369	\$ 15,601,378	\$ 16,177,531	\$ 16,915,750	\$ 17,396,589	\$ 480,839	2.84%
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Local Receipts	\$ 2,723,428	\$ 2,555,743	\$ 2,403,600	\$ 2,418,600	\$ 2,117,600	\$ (301,000)	-12.45%
Available Funds	\$ 547,332	\$ 3,060,677	\$ 3,264,005	\$ 2,020,180	\$ 1,409,949	\$ (610,232)	-30.21%
total:	\$ 23,932,659	\$ 27,131,091	\$ 28,141,308	\$ 27,940,594	\$ 27,206,460	\$ (734,133)	-2.63%

## ■ Areas of interest:

- House 1 is generally viewed as the base level for State Aid
- Will we meet our New Growth Projection?
- Will the Town receive anything from ARRA?



# FY2010 Expenditures

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- Expenditures are divided into:
  - Functional Categories (Departments)
  - Non-Appropriated Costs
  - Sewer Enterprise Fund (self supporting)
  - Water Enterprise Fund (self-supporting)
  - Solid Waste Disposal Enterprise Fund
  - Other Warrant Articles with a Financial Impact



# FY2010 Expenditures

	Expended FY2006	Expended FY2007	Expended FY2008	Appropriated FY2009	CAFO FY2010	Difference	% Increase
Expenditures:							
General Fund Expenditures:							
sub-total:	\$ 21,265,518	\$ 23,960,665	\$ 25,315,387	\$ 26,006,947	\$ 25,831,417	\$ (175,530)	-0.67%
Non-Appropriated Expenditures:							
sub-total:	\$ 1,352,496	\$ 1,325,161	\$ 1,321,232	\$ 1,359,490	\$ 1,166,758	\$ (192,732)	-14.18%
TOTAL BUDGET:	\$ 22,618,014	\$ 25,285,826	\$ 26,636,619	\$ 27,366,437	\$ 26,998,175	\$ (368,262)	-1.35%
Other Warrant Articles:							
sub-total:	\$ -	\$ -	\$ 1,504,689	\$ 574,157	\$ 208,286		
total:	\$ 22,618,014	\$ 25,285,826	\$ 28,141,308	\$ 27,940,594	\$ 27,206,461	\$ (734,133)	-2.63%



# FY2010 Expenditures

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- General Government
  - Administrative, Financial & Planning Offices of the Town
  - Total spending is recommended at \$1,087,580 which is a decrease of \$136,129 or 11.12% over FY2009
  - Decrease comes on top of a \$51K, or 4.15%, decrease in the current FY over FY2008



# FY2010 Expenditures

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- General Government
  - 2.5 FTE, 4 positions, are targeted for layoff
  - Union & Non-Union positions
  - Currently in negotiations with employee groups to mitigate layoffs
  - If layoffs are avoided, positions will be redeployed to areas of greater need, within General Government, such as HR, Purchasing & Public Information (web, etc.)

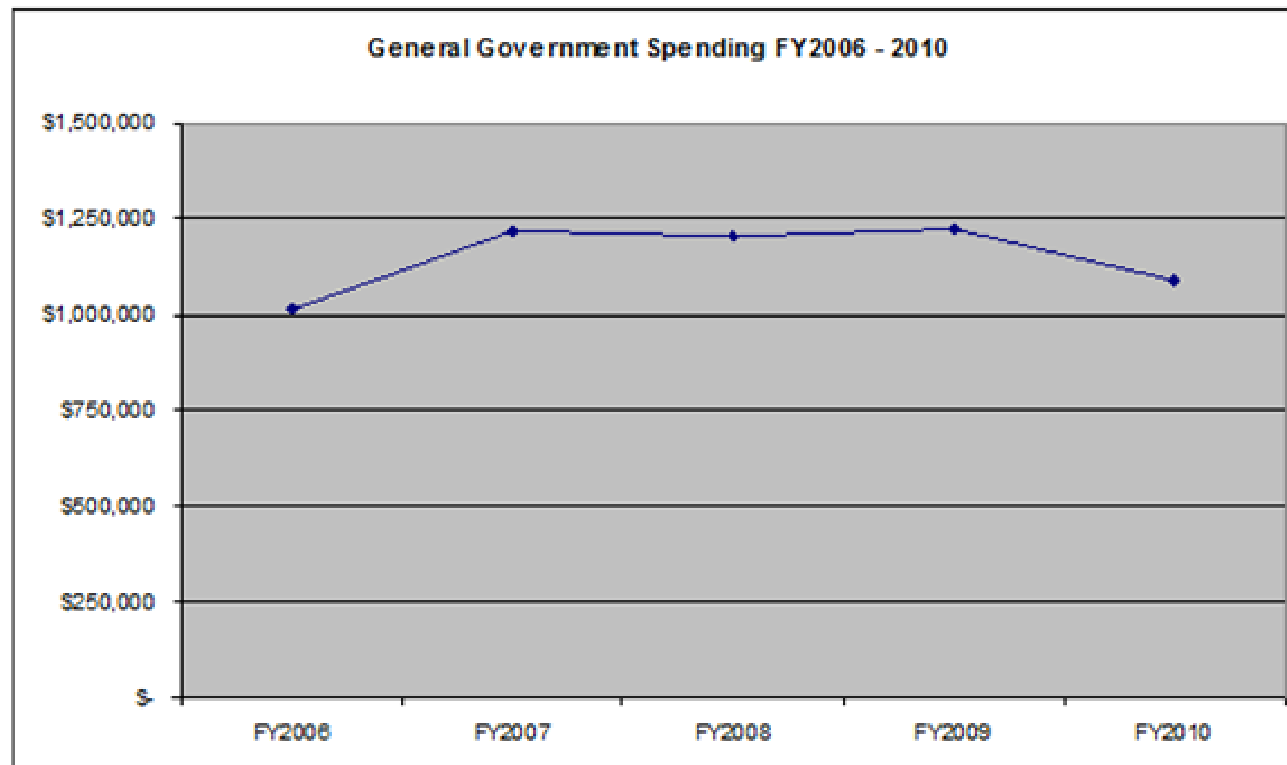


# FY2010 Expenditures

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- General Government- Technology
- Currently have 3 FT staff, Director & 2 Technicians
- Director assigned 80/20 School/ Town
- 1 Technician assigned 100% School
- All salaries & benefits paid 100% by Town
- Shifting costs over to School
- Adding PT Network Administrator to increase functionality & efficiency

# FY2010 Expenditures





# FY2010 Expenditures

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- Central Purchasing is the cost center used to track costs that are not easily allocated among departments, such as utility costs and equipment and maintenance costs, generally for Town Hall Offices.
- Total spending is recommended at \$41,612, a reduction of \$5,588

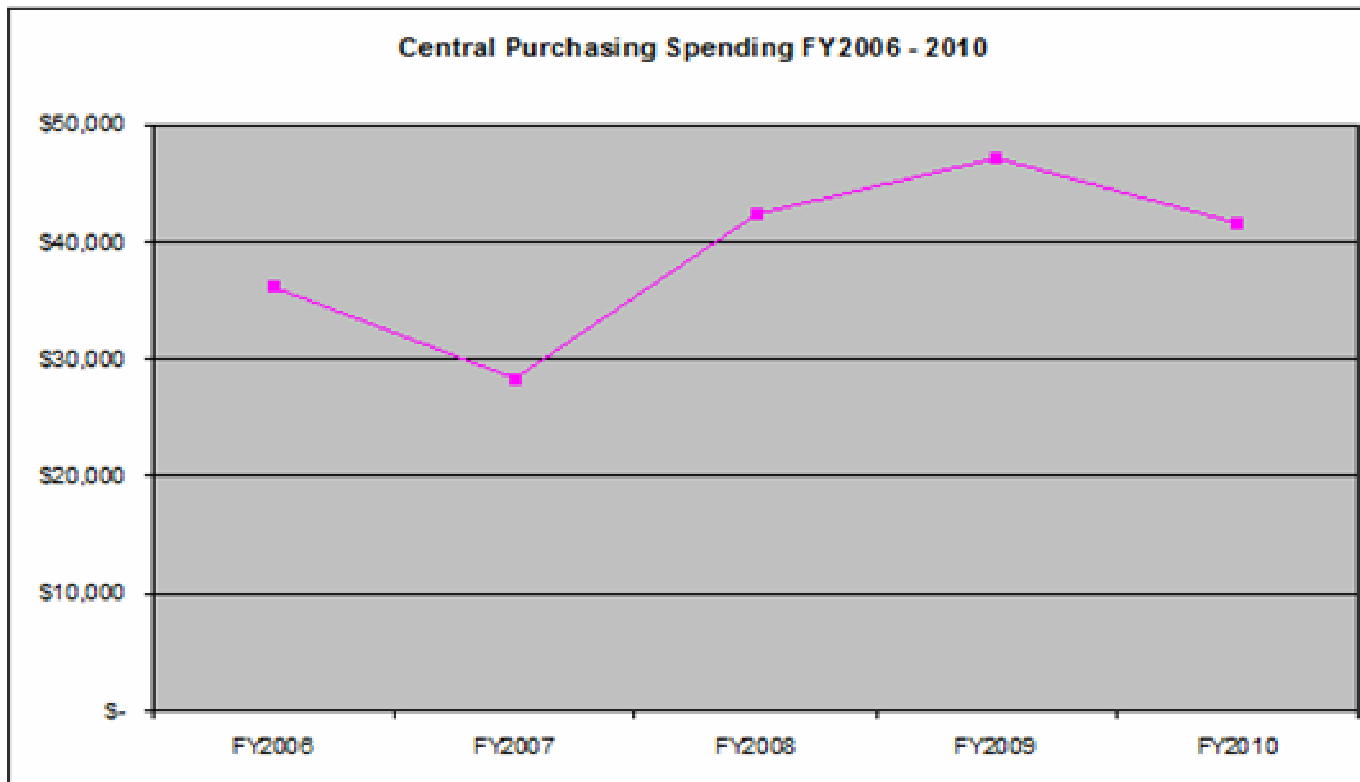


# FY2010 Expenditures

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- Central Purchasing
  - Reduction comes in 2 areas:
    - Office Equipment Maintenance- recognizing that we have instituted a regular replacement plan for computers, printers & copiers
    - Telephone Charges- to come in line with historical spending levels

# FY2010 Expenditures





# FY2010 Expenditures

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- Police
  - Staffing Levels
    - Chief of Police
    - 1 Lieutenant
    - 3 Sergeants
    - 1 Detective
    - 6 Patrol Officers
    - 1 Traffic Officer
    - 1 Administrative Assistant
    - 14 Reserve Officers

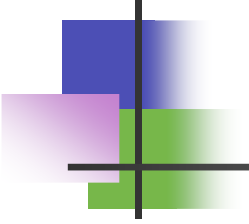


# FY2010 Expenditures

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- Police

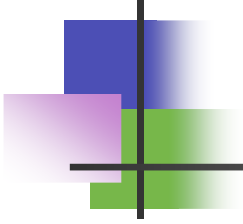
- Shifts are staffed with either 1 Sergeant and 1 Patrol Officer or 2 Patrol Officers
- Traffic Officer works a split shift, 2 days & 2 evenings
- Department maintains a 6 cell lock up detainment area
- Department Request included 2 new patrol officers



# Department of Justice Bureau of Justice Statistics 2006 Police Staffing across the U.S.

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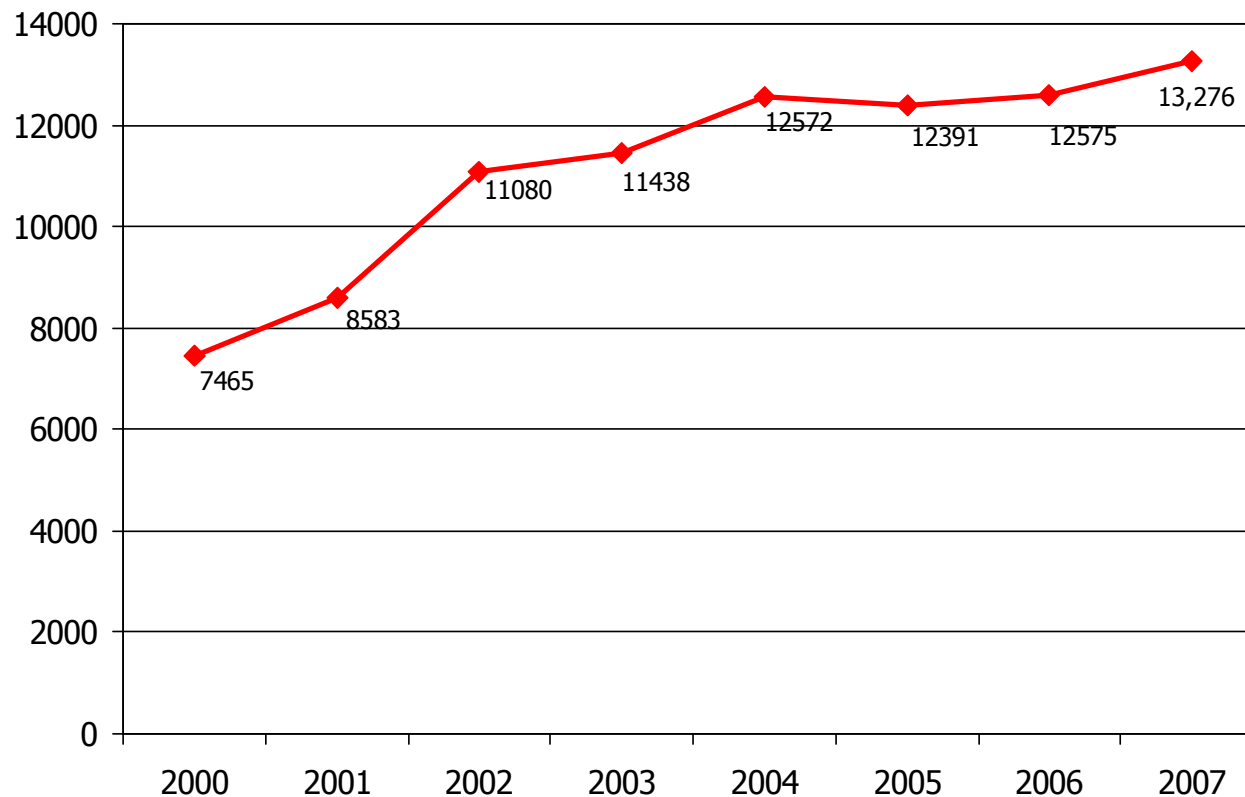
Ratio of Full-time Police Officers per 1,000 residents	
Residents	Officers per 1,000
1,000 to 2,499	2.6
2,500 to 9,999	2.2
10,000 to 24,999	2.0
25,000 to 49,999	1.8
50,000 to 99,999	1.8
250,000 and up	2.5
*Lunenburg 10,024	1.3



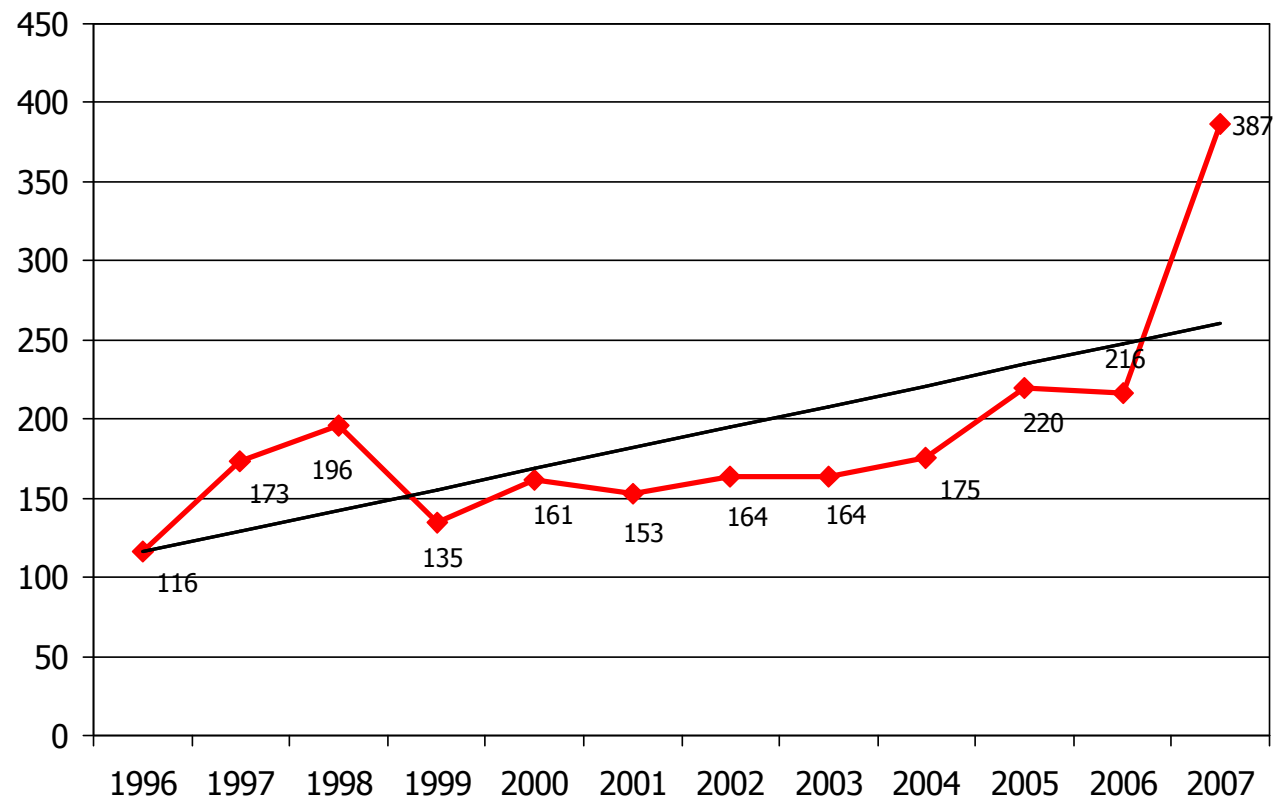
- Ratio of Police Officers per 1,000 residents in Massachusetts
  - ✓ Average 2.1 officers per 1,000 residents
  - ✓ Larger cities averaging 3.0 officers per 1,000 residents
  - ✓ Smaller communities averaging 1.8 officers per 1,000 residents
- Number of Lunenburg PD Full-time officers including the Chief =13
  - ✓ 1.3 officers per 1,000

# Police Incidents by Year-

## 77% Increase in 7 Years



# Police Arrests/ Bookings by year



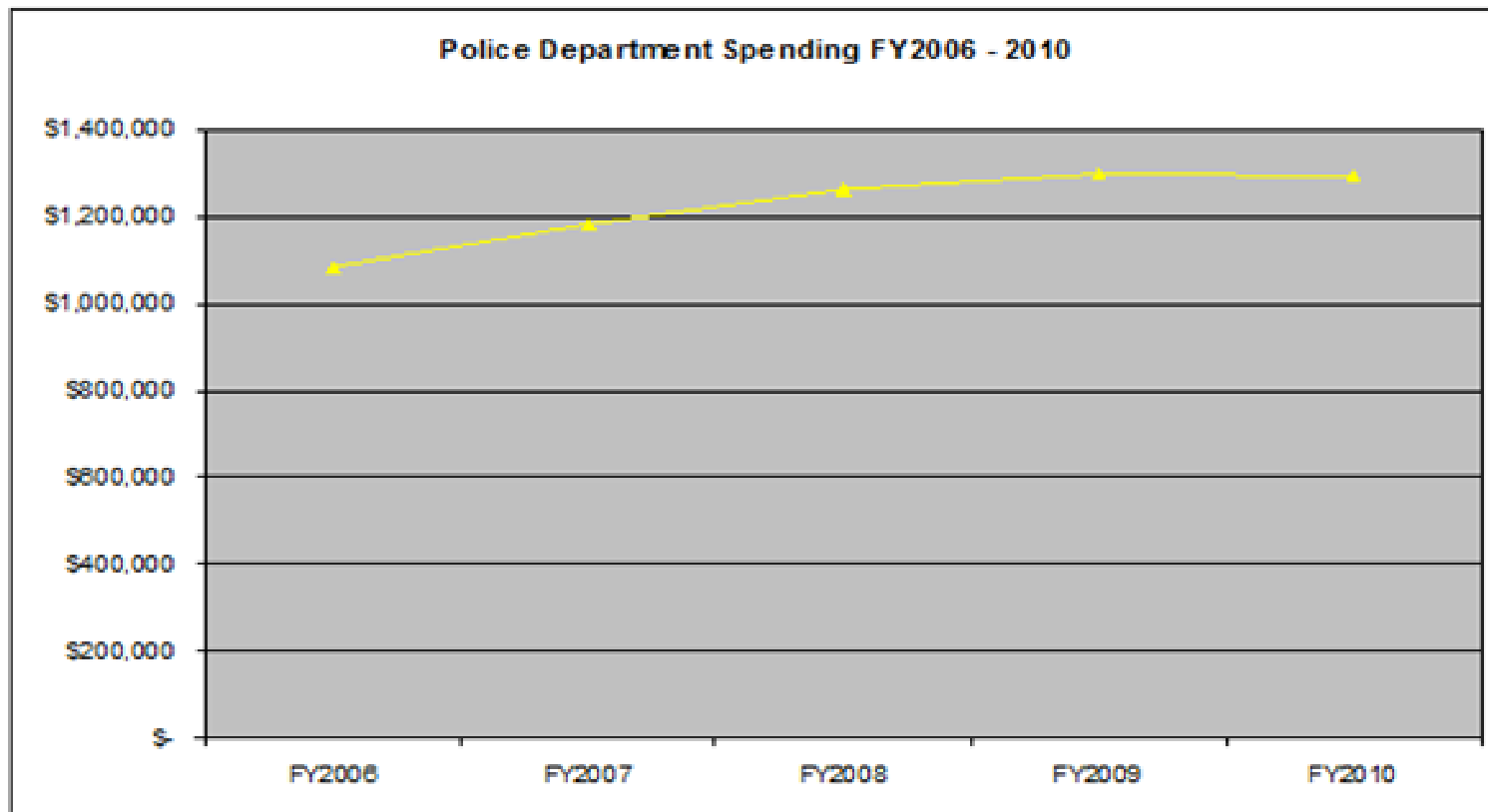


# FY2010 Expenditures- Police

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- Total recommended spending is \$1,293,126 which is a decrease of \$2,500
- Essentially level funded
- Does not include funding for additional officers
- Hopeful that new COPS hiring program may provide funds for additional officers

# FY2010 Expenditures- Police





# FY2010 Expenditures

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- Fire
  - Staffing Levels
    - Fire Chief
    - 1 Administrative/EMT-P/Dispatcher
    - 3 Career Firefighter/EMTs
    - 36 Call Firefighters (24 EMTs)

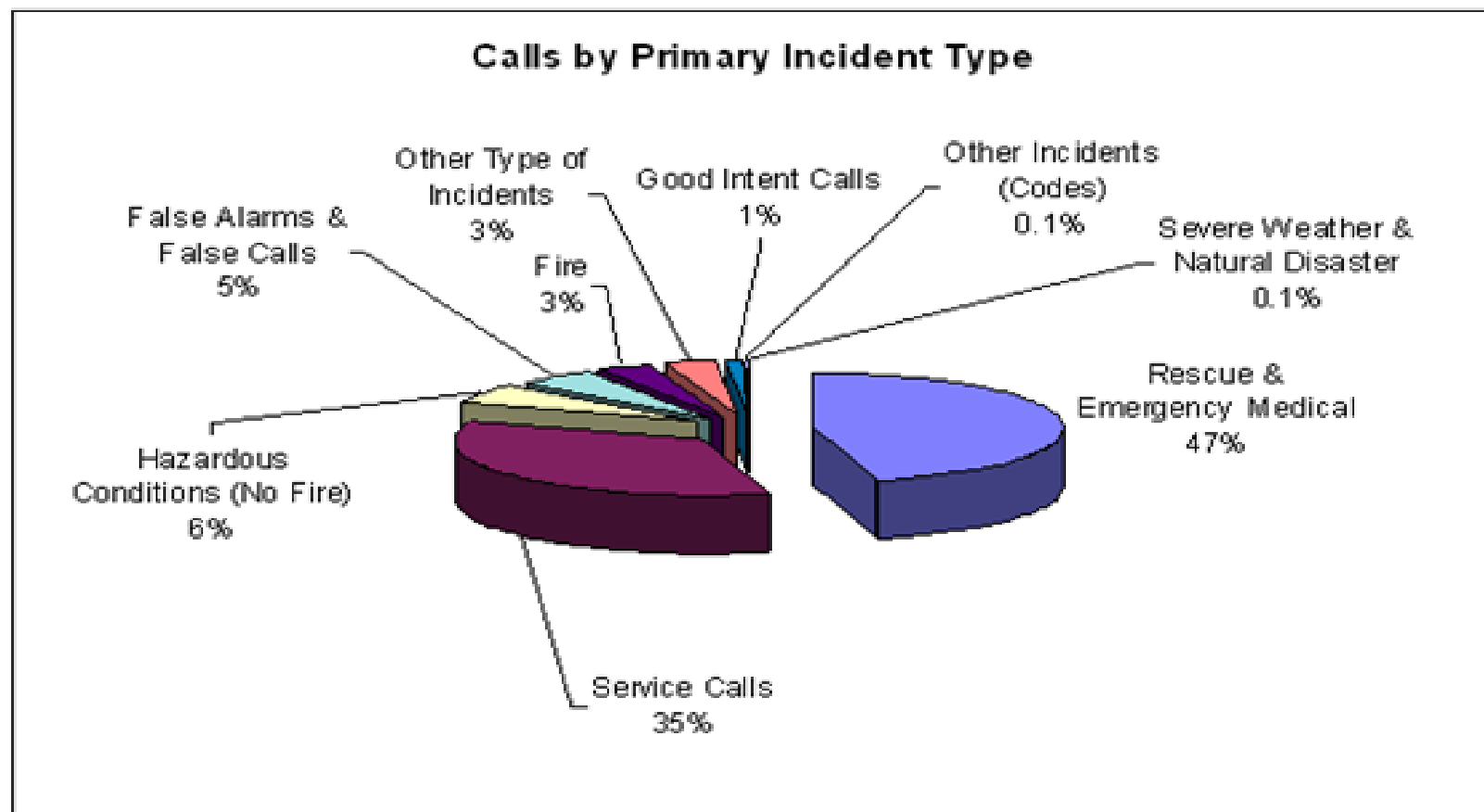


# FY2010 Expenditures

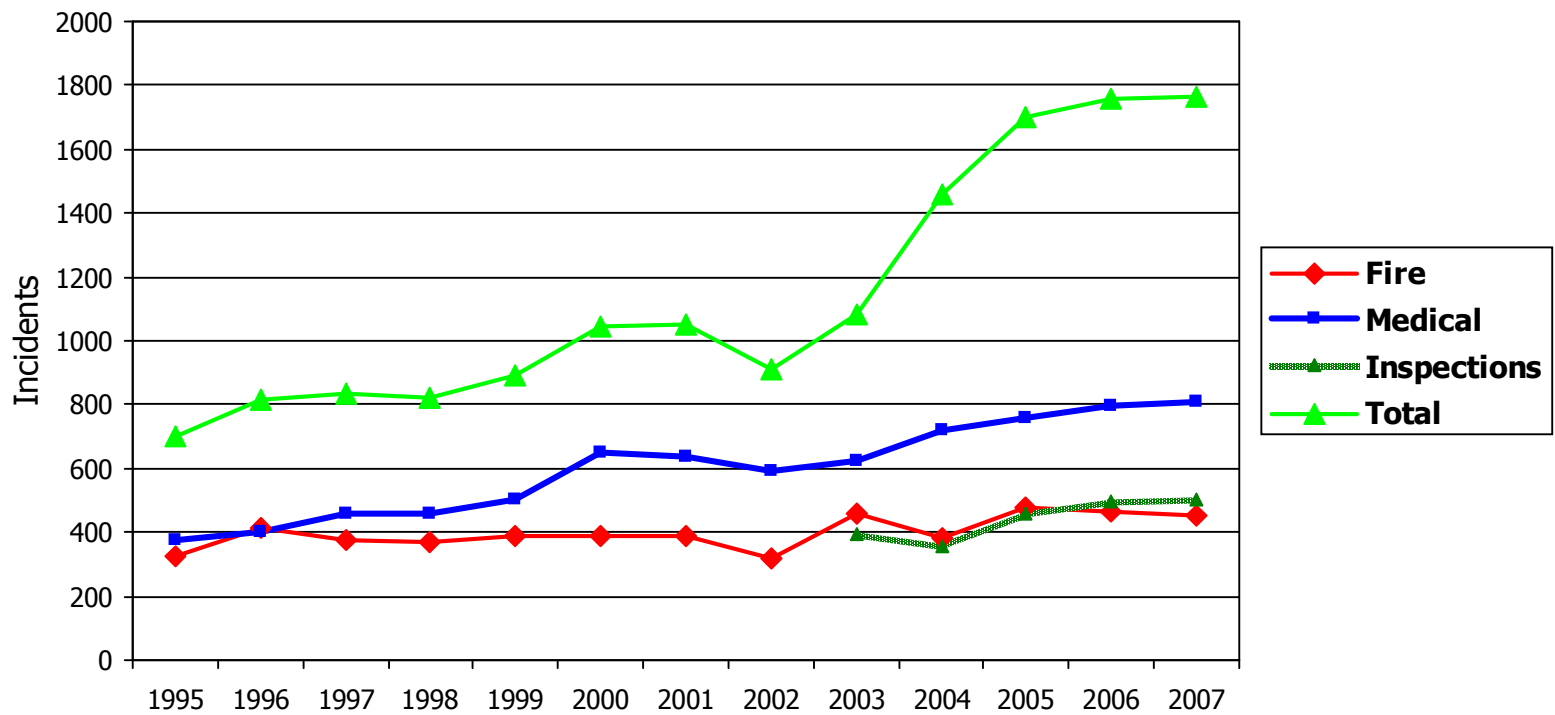
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- Fire
- Apparatus
  - 4 Engines
  - 1 Ladder
  - 1 Brush Truck
  - 2 Rescue/Ambulances
  - 2 Support vehicles & 3 Trailers

# FY2010 Expenditures- Fire



# FY2010 Expenditures- Fire Responses



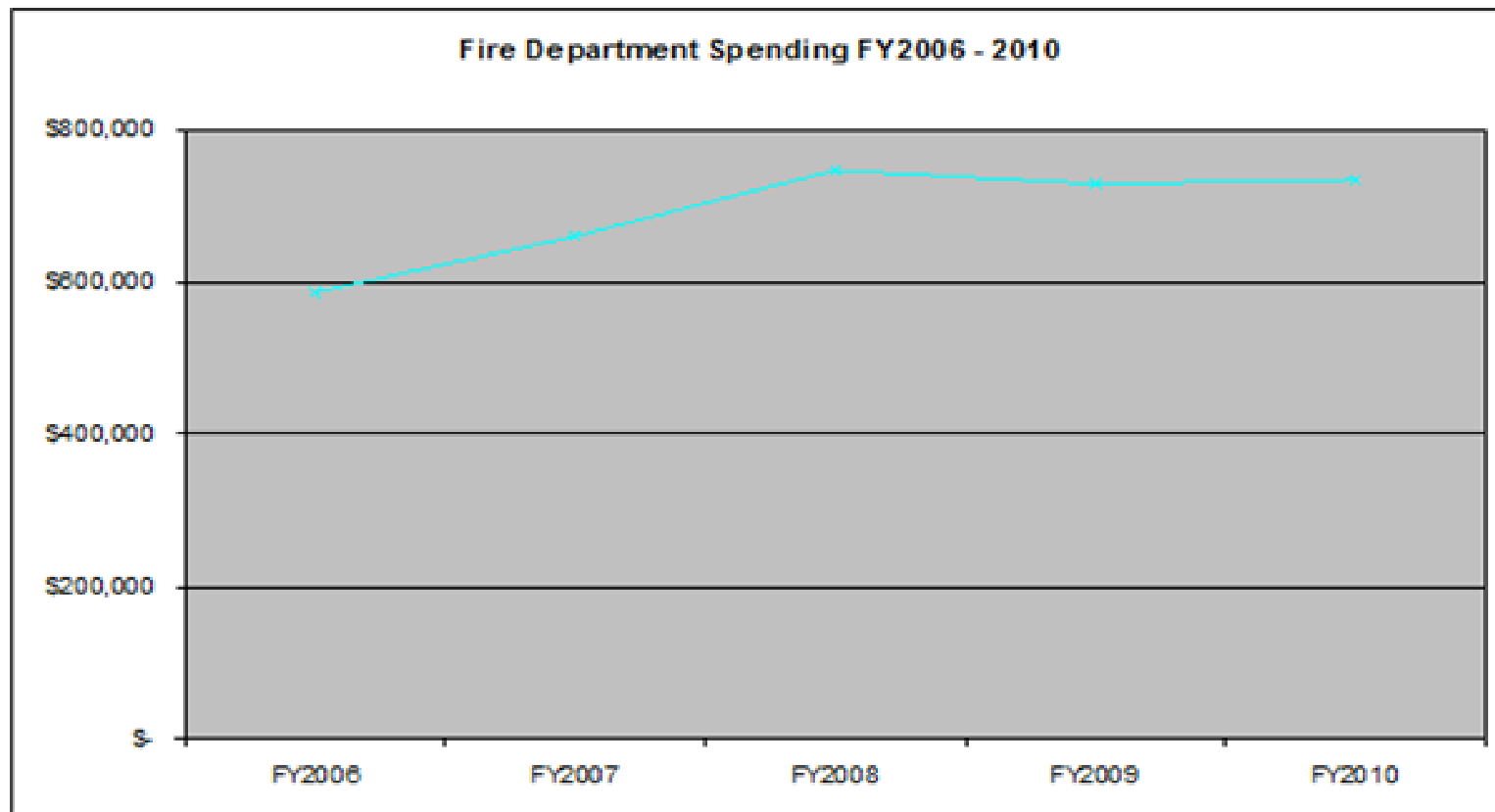


## FY2010 Expenditures- Fire

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- Total recommended spending is \$733,183, which represents an increase of \$3,613, or 0.50%
- Includes funding to increase the hard call stipend from \$25 to \$50 per shift for weeknights in light of the increasing difficulty of filling those shifts.

# FY2010 Expenditures- Fire



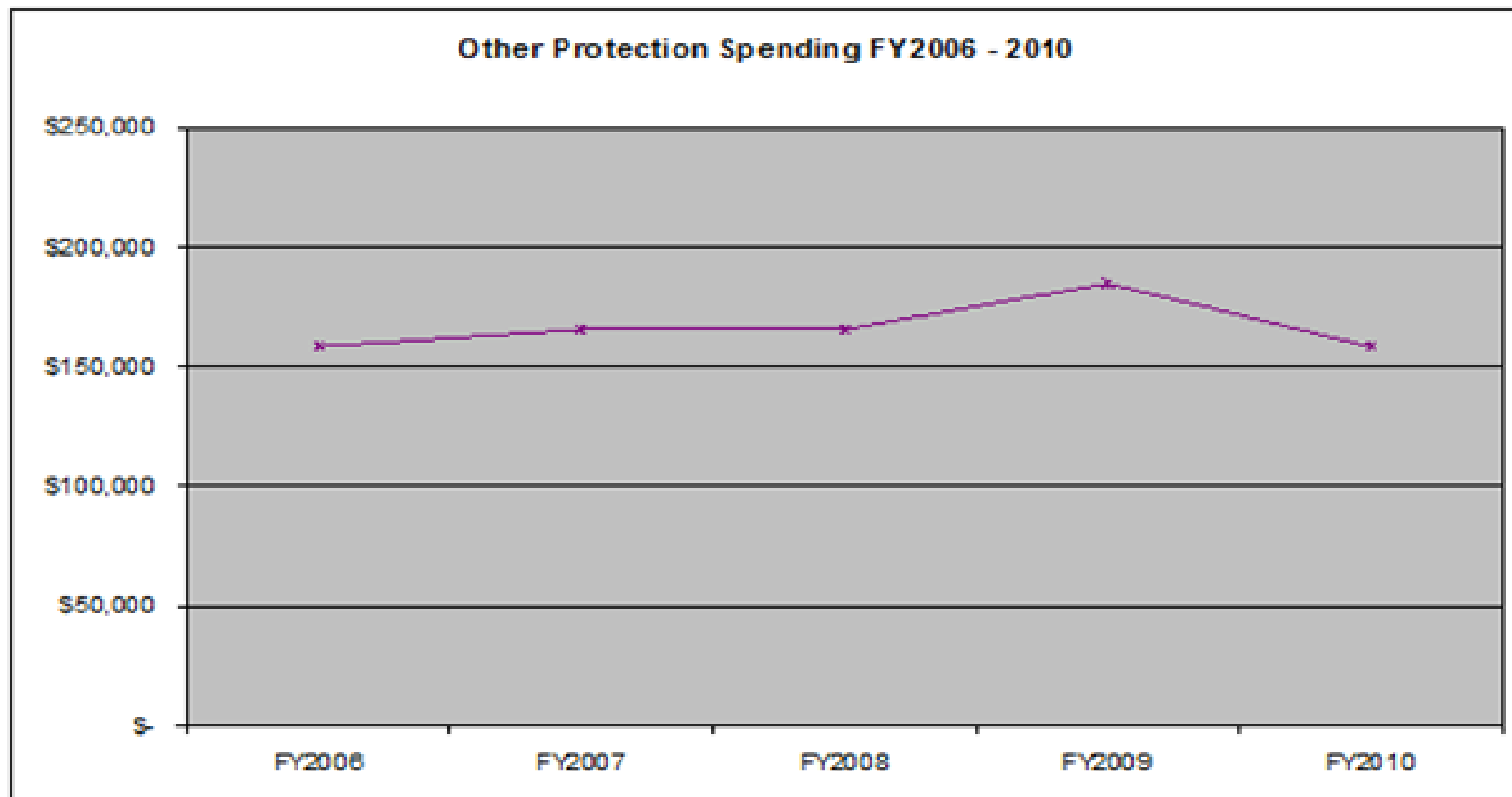


# FY2010 Expenditures- Other Protection

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- Includes funding for Building, Gas, Plumbing & Wiring Inspection; Inspector of Weights & Measures, Municipal Hearings Officer & Animal Control Officer
- Total recommended spending is \$158,433 representing a decrease of \$26,359 or 14.26%
- Bulk of the decrease is in “salary” for specialty inspectors- Wiring, Gas & Plumbing
- Elimination of the Assistant Building Inspector Position (stipend)

# FY2010 Expenditures- Other Protection





# FY2010 Expenditures- DPW

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- The Department of Public Works includes:
  - Highway
  - Vehicle Maintenance
  - Traffic & Signs
  - Public Buildings & Grounds
  - Cemetery
  - Parks



# FY2010 Expenditures- DPW

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- Major duties:
  - Maintenance of 200 lane miles of paved roadways, including repair, line painting, traffic signs, street sweeping, snow removal, etc.
  - Maintenance of 11 public buildings and all non-school athletic fields & playgrounds
  - Maintenance of all town-owned vehicles

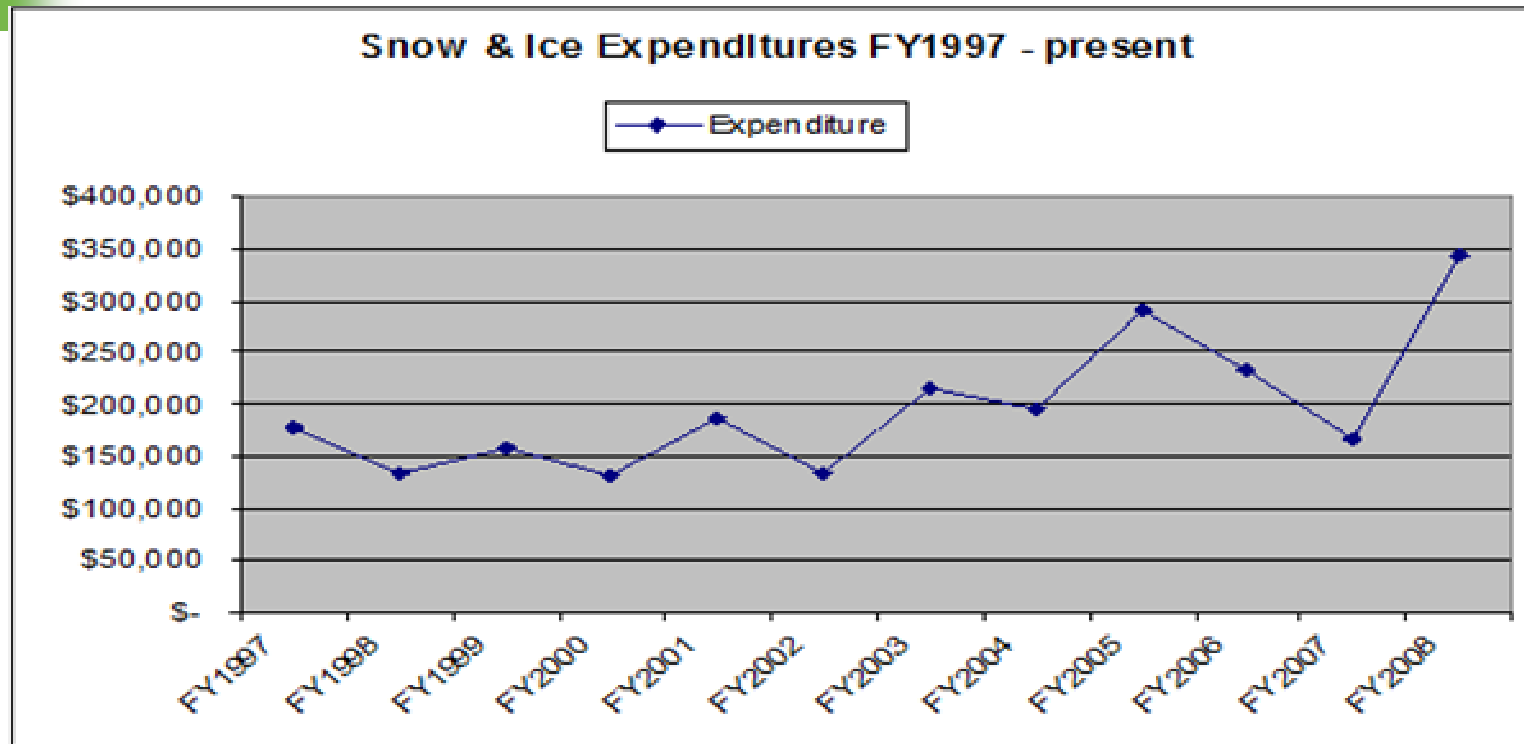


# FY2010 Expenditures- DPW

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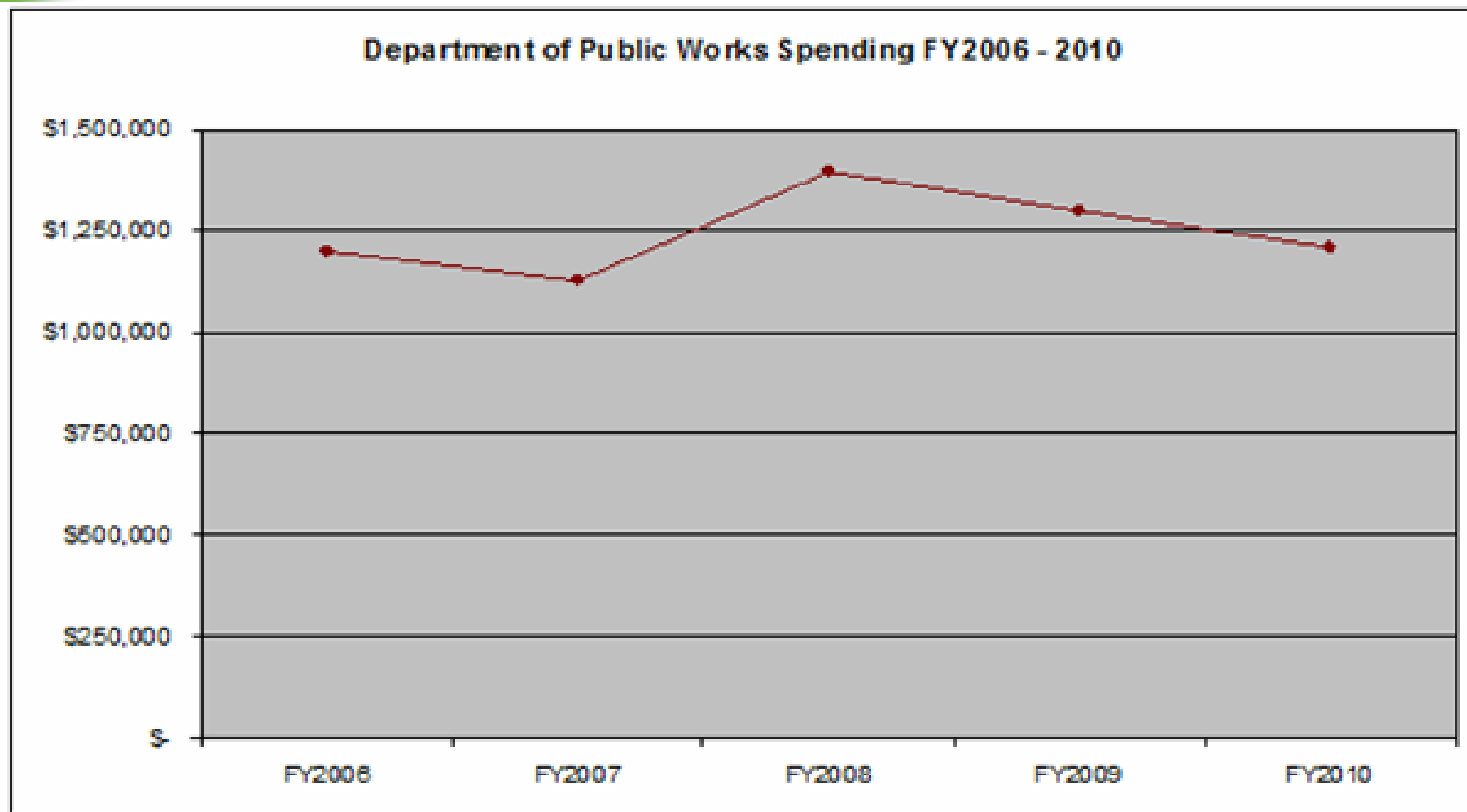
- Total spending is recommended at \$1,210,387, which represents a decrease of \$87,710, or 6.76% over the current appropriation.
- 2.0 FTE targeted for layoff (1 will be vacant due to retirement)
- Reduction in materials of \$20K, less money for repairs of street, sidewalk & drainage structures
- Back to a 2 year cycle for line painting
- Shifted Landfill Monitoring costs back to unexpended TM articles (\$9,200 balance after construction)
- Increase Snow & Ice Budget by \$40K, based upon trend

# FY2010 Expenditures- DPW



- \$75,000 Appropriation for FY1997 – 99
- \$100,000 Appropriation for FY2000 – 01
- \$135,000 Appropriation for FY2002 – 08
- \$160,000 Appropriation for FY2009
- \$200,000 Proposed for FY2010

# FY2010 Expenditures- DPW





# FY2010 Expenditures-Solid Waste

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- The Town operates a PAYT and Recycling Program, through a private hauler
- 3,200 of 3,800 household participate in PAYT
- Program is funded through bag sales & a General Fund Appropriation for Recycling
- Cost of Recycling Program under new contract is about \$100,000



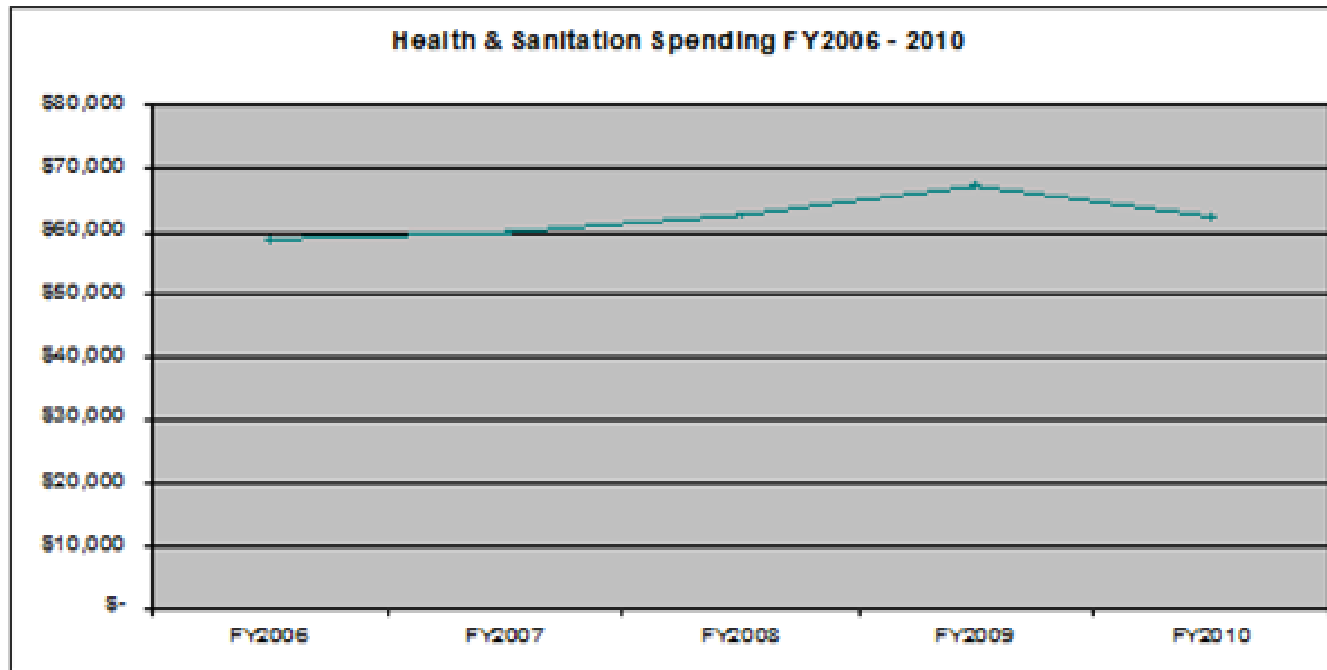
# FY2010 Expenditures- Health & Sanitation

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- The mission of the Board of Health is to develop and maintain innovative programs to safeguard and improve the general health of the citizens of the Town.
- Departmental Staff include:
  - 1 Administrative Assistant
  - Board of Health Agent (by contract)
  - Nurse (by contract)

# FY2010 Expenditures- Health & Sanitation

- Total recommending spending is \$62,366, which is a decrease of \$5,000 or 7.42%. Decrease comes through elimination of contracted Mental Health Services





# FY2010 Expenditures- Council on Aging

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- Departmental Goals include:
  - Advocacy for the elder population
  - Increased community visibility
  - Preparing for changing needs of elders
  - Collaborating with other Town departments to groups to develop programs beneficial to elders
  - Promoting Inter-generational opportunities through the Lunenburg Public Schools

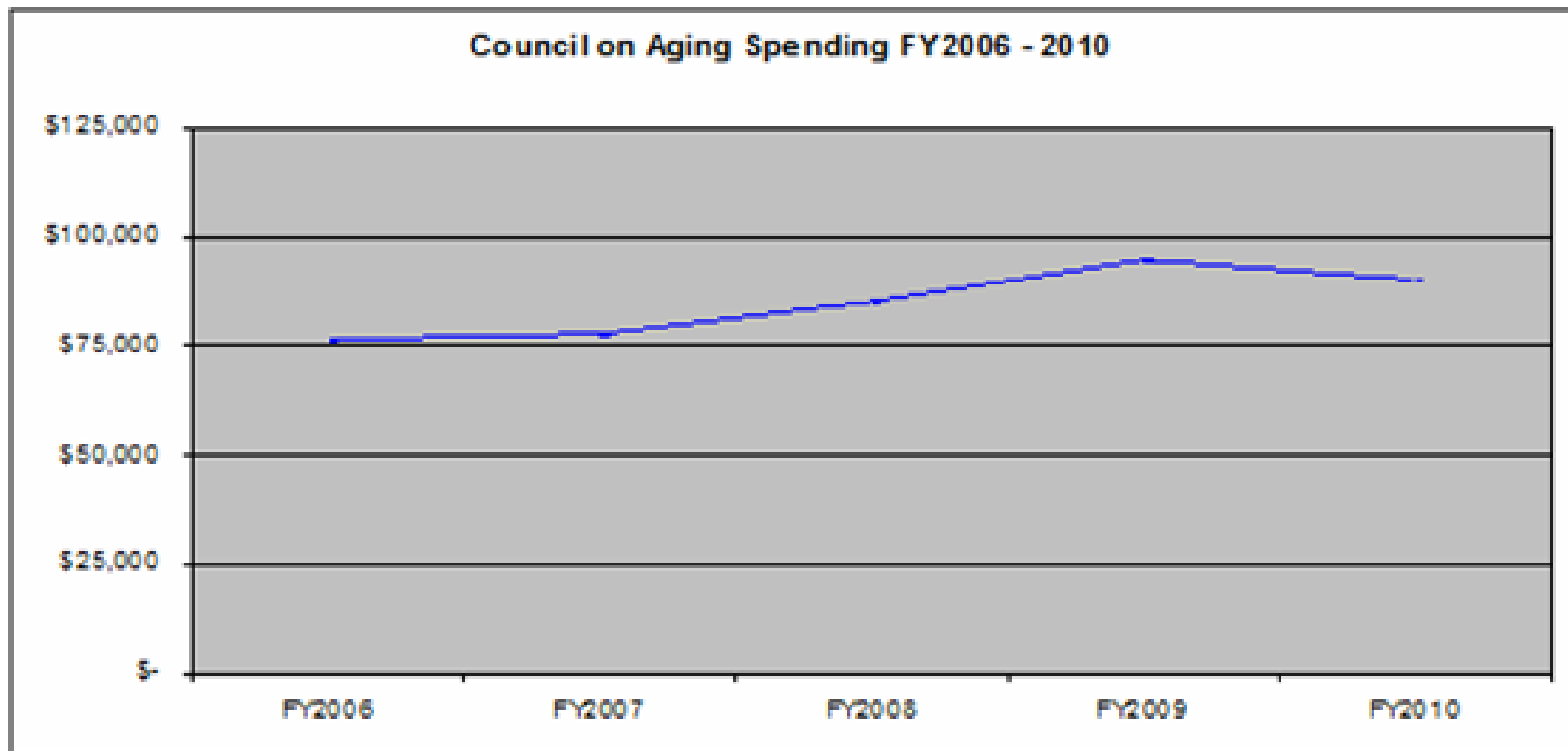


# FY2010 Expenditures- Council on Aging

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- The recommended level of spending is \$90,157, which is a decrease of \$4,625 or 4.88% over current spending levels
- The bulk of the decrease comes from a reduction of hours for client outreach services. This is disappointing as we were only able to increase these hours this fiscal year.

# FY2010 Expenditures- Council on Aging





# FY2010 Expenditures-Veterans Administration

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- The mission of the Veterans Administration Office is to provide financial and medical aid assistance to veterans and/ or dependants in need.
- The state reimburses 75% of authorized assistance
- The office also provides assistance in coordination of other types of aid
- The FY2010 recommendation is for level funding of \$7,410



# FY2010 Expenditures – Lunenburg Public Schools

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- FY2010 Recommendation is for \$14,677,320
- Represents a decrease of \$147,498 or 1.00% over current spending level
- As mentioned Technology Salaries & Benefits are being shifted from General Government to Schools. A \$75,000 “credit” is being provided, reducing the actual decrease to \$72,498 or 0.49%



# FY2010 Expenditures – Lunenburg Public Schools

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- Superintendent's budget recommendation is for \$14,928,810, which is an increase of \$178,922 or 1.2% over current spending levels.
- Based upon the information I have available at this time, I believe additional funding for educational purposes will become available. (ARRA)



# FY2010 Expenditures – Lunenburg Public Schools

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- Education Commission issued a memo on February 17, 2009
- *"once we have received our official state allocation for these programs, we will be able to calculate allotments for each district."*
- *"To the degree that you have the flexibility to delay your final budget decision until we can get you this information, you may wish to do so. Otherwise, you should be discussing with your town officials contingency plans for revising your budget later this spring, after final allocations of the federal funds have been released."*



# FY2010 Expenditures- Montachusett Regional

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\$596,989 is the minimum contribution set by the state

\$ 19,195 Transportation/Operating Assessment

\$ 9,657 Capital Assessment

\$ 15,587 FY10 Bonds

\$641,427 Lunenburg's Approved Assessment FY10

- Overall budget for Monty Tech provides a 0% increase
- Assessment is based upon total enrollment; Lunenburg's Enrollment inc. by 6
- Regional School Committee is expected to take final vote on 3/4/09



# FY2010 Expenditures- Library

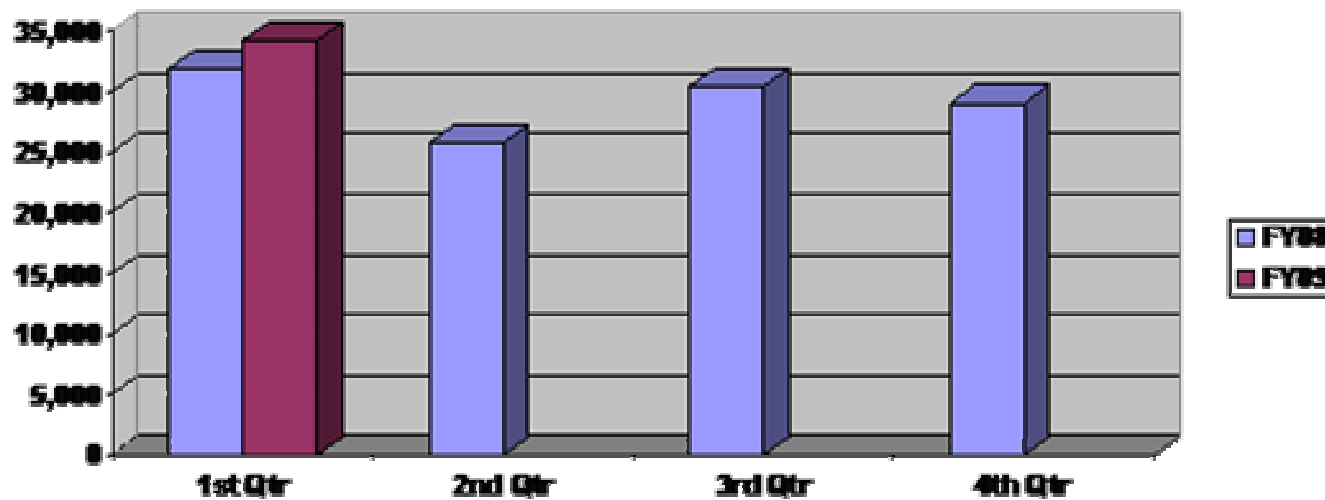
- The department's mission is to continue to provide access to information people can use in their daily lives.

## *Hours Open and Full Time Employee Equivalent*

Town	2006 Pop	Avg. Weekly Hours Open	Full Time Employee Equivalent	Total Hours Open/ FTE	Weekly Visits/ FTE	Circulation/ FTE
Lunenburg	10,010	44.0	5.1*	8.6	388.9	21,456
Athol	11,661	41.7	9.2	4.7		14,743
Clinton	14,163	40.6	6.6	6.9	261.6	22,138
Groton	10,585	41.6	13.7	3.2	122.8	18,538
Northborough	14,681	56.3	13.7	4.3	63.3	12,445
Oxford	13,712	48.2	11.0	4.8		11,707
Pepperell	11,412	42.8	7.4	6.0		18,870

# FY2010 Expenditures- Library

**Luxemburg Public Library Circulation Rates  
FY08/FY09**



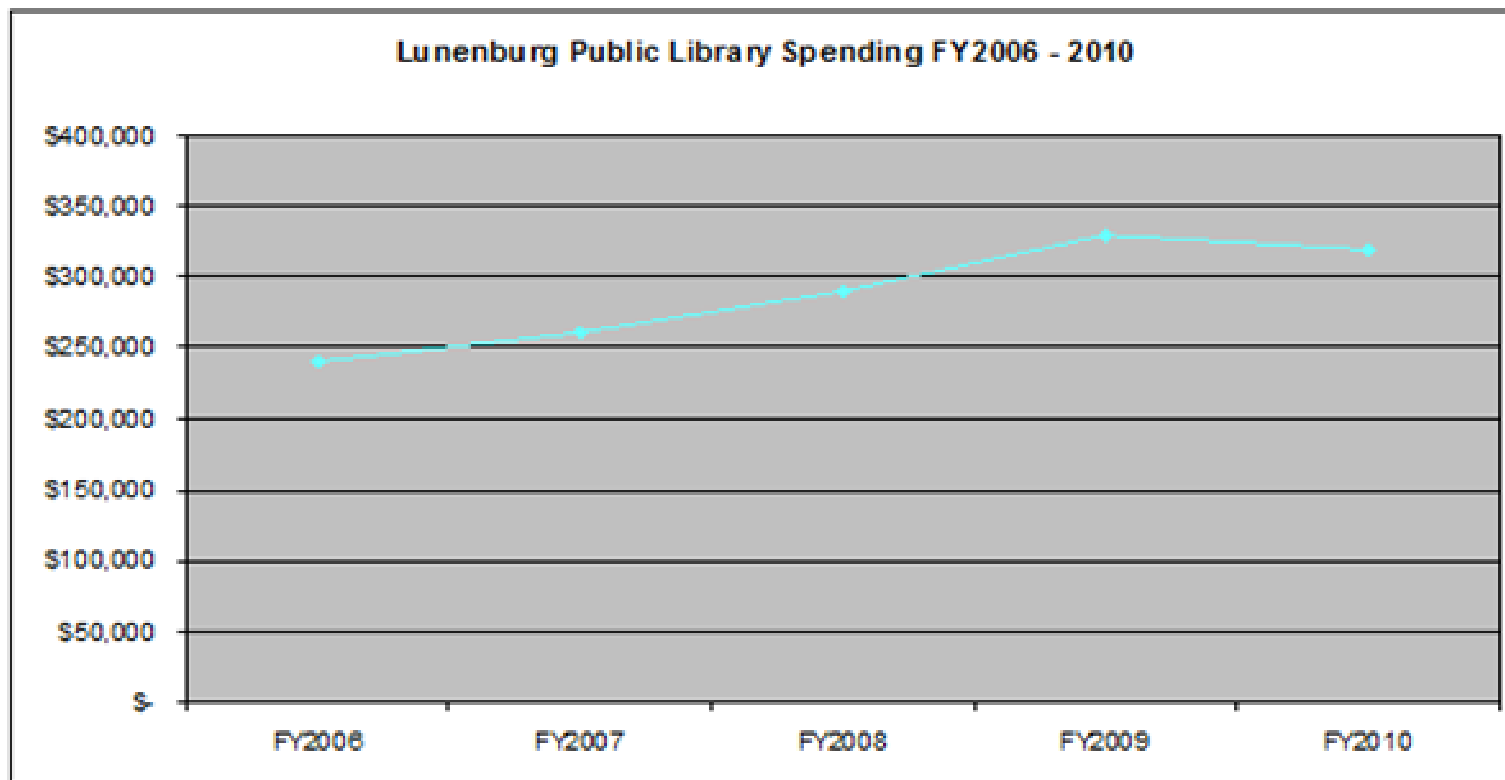


# FY2010 Expenditures- Library

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- The recommended level of spending for the Library for FY2010 is \$319,211, which represents a decrease of \$10,656 or 3.23% over current year spending.
- Elimination of funding for part-time Reference Librarian position, currently vacant
- Small decrease in Library Materials
- Funding for CWMARS will come from State Aid

# FY2010 Expenditures- Library





# FY2010 Expenditures- Debt Service

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- Debt financing is the primary means of financing large capital projects in Lunenburg.
- The use of debt allows the Town to afford the construction of large scale, capital assets in a systematic & planned manner.

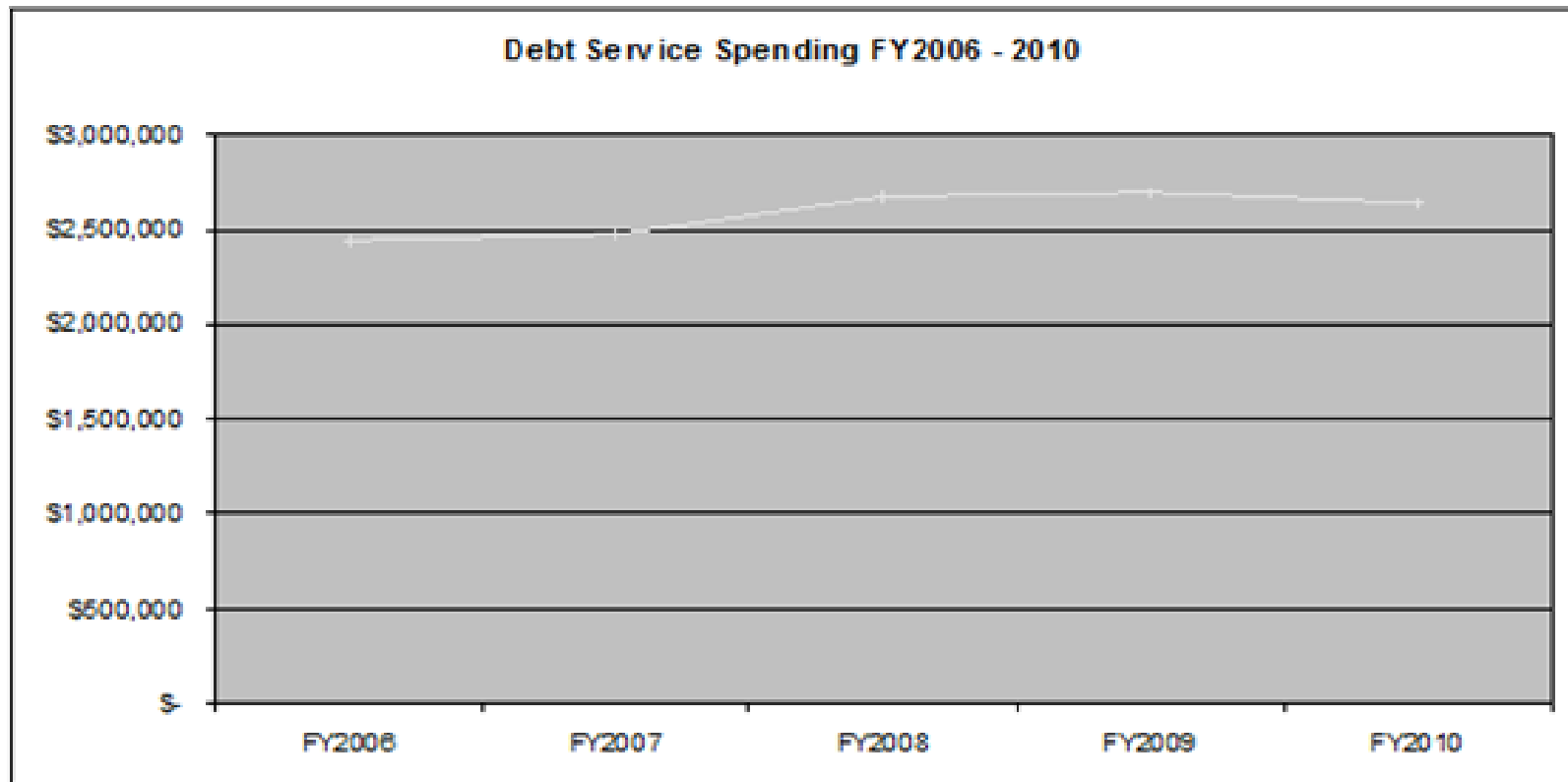


# FY2010 Expenditures- Debt Service

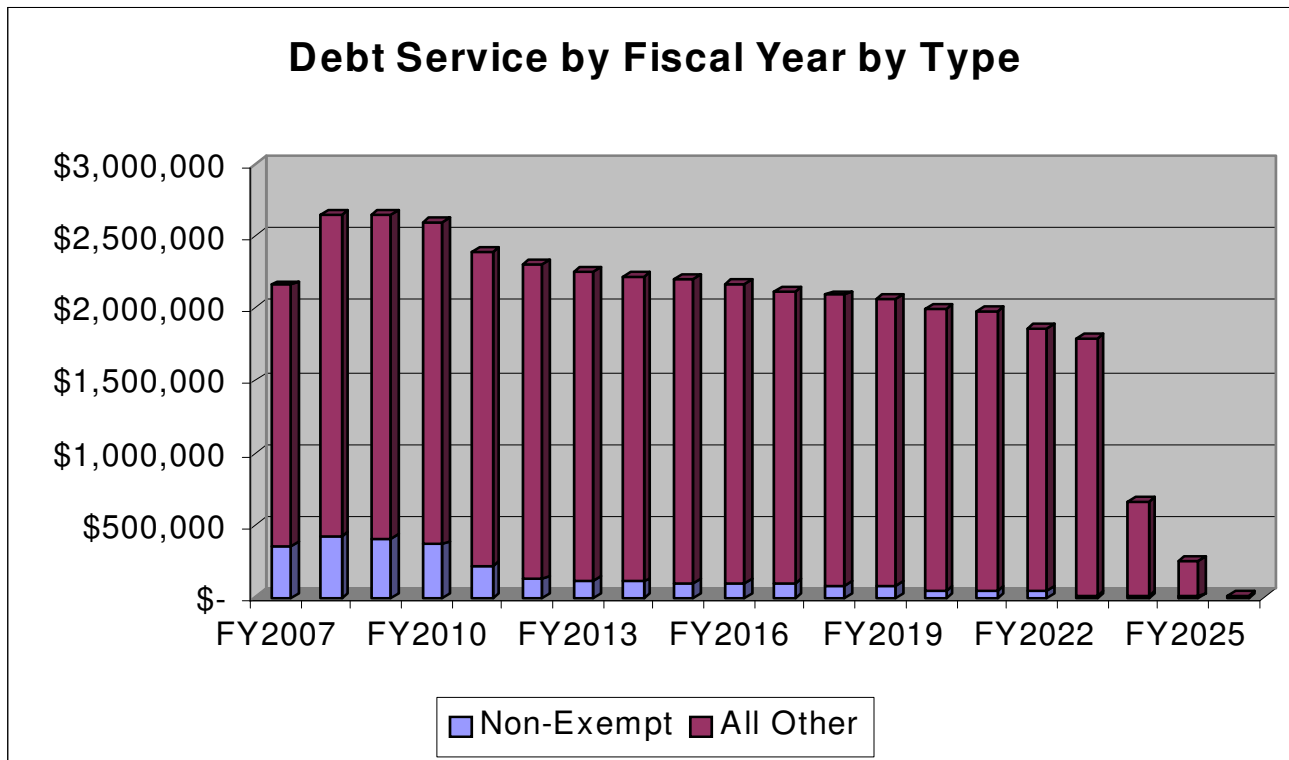
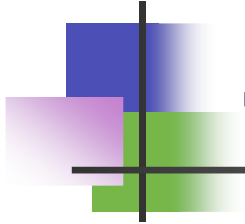
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- Goals of Debt Management
  - To achieve the best possible true interest cost associated with debt
  - To maintain the highest credit rating possible
  - To keep the average weighted maturities of outstanding debt as low as possible to allow for the issuance of new debt as the need arises.

# FY2010 Expenditures- Debt Service



# FY2010 Expenditures- Debt Service





# FY2010 Expenditures- Unclassified

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- The Unclassified category is a catch all for costs associated for special services or for costs unallocated elsewhere in the budget, the largest of which is for employee benefits.
- Other items budgeted for here include:  
Historical Commission, Band Concerts,  
Regional Planning, General Insurance &  
Reserve Funds



# FY2010 Expenditures- Unclassified

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- The Town purchases health insurance for all active & retired employees through MIIA.
- FY2010 renewal rate reflects an increase of 6% for Active Employee Plans and 7.3% for Retiree Plans
- \$105,358

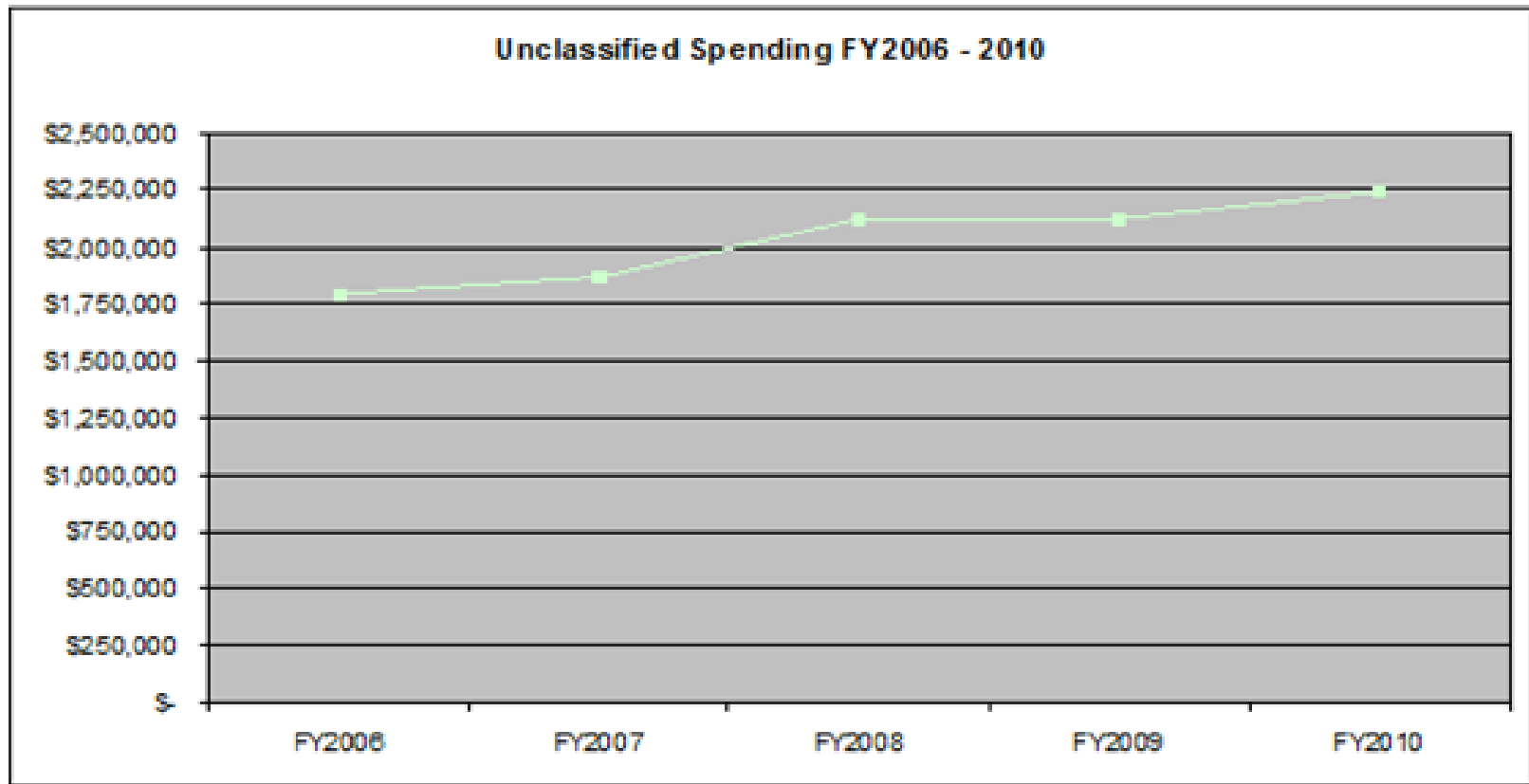


# FY2010 Expenditures- Unclassified

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- Finance Committee Reserve Account has been reduced \$20,000 to \$50,000 due to the fact that great effort has gone in to determining realistic funding levels for all programs and services included in this budget recommendation

# FY2010 Expenditures- Unclassified





# FY2010 Expenditures- Retirement Assessment

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- The Worcester Regional Retirement System annually provides each member Town an assessment based upon anticipated retirement benefits to be paid out.
- The Town's FY2010 assessment has been certified at \$528,137, which represents an increase of \$35,016 or 7.10%.



# FY2010 Expenditures- Retirement Assessment

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- Assessment is due in 2 installments, July 1 and January 1
- A discount of about 2% is provided for early payment- \$10,770
- First time the discount is offered
- Town would have to earn 8% interest on these funds to make it worth **not** taking advantage of this offer



# FY2010 Expenditures- Non-Appropriated

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- Cherry Sheet Charges & Underestimates are levied on the Town by State Law and are not subject to Town Meeting Appropriation
- Include: Mosquito Control District, MBTA Assessment & Regional Transit



# FY2010 Expenditures- Non-Appropriated

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- Cherry Sheet Offsets are amounts that are included on the Budget Summary to reflect two state revenue programs- School Lunch and Public Libraries- that are to be spend without further appropriation
- We show these as offsets as they are included in Cherry Sheet Revenue



# FY2010 Expenditures- Non-Appropriated

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- Cherry Sheet Assessments are for tuition payments for Lunenburg students attending school outside of the district.



# FY2010 Expenditures- Capital

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- A separate process for review of capital items, defined as:
  - Any item with a cost of or equal to, or greater than \$10K
  - Groups of items of same use which together equal or exceed \$10K
  - Items with durability of over 3 years



# FY2010 Expenditures- Capital

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- Capital Planning Committee has not yet made a recommendation.
- At this time, I am asking for a list of recommended projects up to a total of \$250,000
- Funds anticipated to be available at this time \$208,286



# FY2010 Expenditures- Capital

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State Aid	\$149,543
Recaptured Funds	\$ 27,602
<u>Other General Fund Revenues</u>	<u>\$ 31,141</u>
<b>Total:</b>	<b>\$208,286</b>



# Conclusion- Action Plan

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- Past & current service levels
  - Reviewed & made adjustment where possible
- Long-term priorities
  - Preserve core functions- Education, Fire, Police
- Possible consolidations
  - 2.5 FTE reduction in General Government
  - If positions are “reinstated” personnel will be “redeployed”
  - Regional Dispatch
- Possible service reductions
- Fee Structure
  - Proposals being brought to BOS in March



# Conclusion

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- There has been nothing easy about preparing a budget proposal this year
- Budget anticipates a total reduction of 4.5 FTE, which may be mitigated by salary concessions
- Cuts made will impact service delivery
- Fewer dollars put into repair of roadways, sidewalks & drainage structures



# Conclusion- Next Steps

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- School Committee Budget Hearing- 3/4
- Finance Committee Budget Review- 3/7
- Await Legislature's review of House 1
- Await additional information on ARRA
- Continue to work on consolidation & regionalization efforts
- Continue to look at cost savings measures, including outsourcing